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THE CORPORATION TRUST COMPANY AND AFFILIATED COMPANIES

The policy of The Corporation Trust Company in all matters relating to the incorporation, qualification, statutory representation, and maintenance of corporations, is to deal exclusively with members of the bar.

New York Corporations are interested in the fact that the Secretary of State has completed publication of the lists of corporations to be dissolved for failure to file report of existence as required by Chapter 353 of the Laws of 1922. Any corporation on the list has three months in which to file a certificate that it desires to continue its corporate existence. See page 149.

The Corporation Journal Index. An index covering the first half of Volume VI—May, 1923 to April, 1924—is being mailed herewith to each of our subscribers who has a Journal binder. A small additional supply of this index has been printed, and copies will be sent upon request so long as they remain available.



President

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37 Wall Street, New York

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(The Corporation Trust Co. of America)

DEPARTMENTS

Corporation Department—Assists attorneys in the incorporation of companies and in the licensing of foreign corporations to do business in every state and Canadian province, and subsequently furnishes annual statutory representation service, including office or agent required by statute.

Report and Tax Department—Notifies attorneys when to hold meetings, file corporation reports, and pay state taxes in every state and Canadian province.

Legislative Department—Reports on pending legislation; furnishes copies of bills and of new laws enacted by Congress.

Trust Department—Acts as trustee under deed of trust, custodian of securities, escrow depositary and depositary for reorganization committees.

Transfer Department—Acts as registrar and transfer agent of stocks, bonds and notes.

Federal Department—Reports decisions of the United States Supreme Court and rulings of the various Government departments. Furnishes agent at Washington for common carriers to accept service of orders, process, etc., of Interstate Commerce Commission.

SERVICES

Federal Income Tax Service—Reports the Federal Income Tax Law and the official regulations, etc., bearing thereon.

Federal War Tax Service—Reports the Excess Profits Tax Law and practically all the other strictly Internal Revenue Tax Laws, except the Income Tax Law, due to the war, and the official regulations, etc., bearing thereon. (Does not touch on law provisions and regulations having to do with wine, spirits, soft drinks, tobacco, or narcotics.)

New York Income Tax Service—Reports the New York Personal and Corporation Income Tax Laws and the official regulations, etc., bearing thereon.

Federal Reserve Act Service—Reports the Federal Reserve Act and the official regulations, etc., bearing thereon.

Federal Trade Commission Service—Reports the Federal Trade Commission Act and the Federal Anti-Trust Act (the Clayton Act) and the official orders, rulings, complaints, etc., bearing thereon.

Stock Transfer Guide and Service—Embody extracts from the statutes and decisions of the various states and jurisdictions relating to transfers of a corporation's stock by executors, administrators, and guardians. Gives uniform requirements of the New York Stock Transfer Association, inheritance tax rates, and law provisions showing whether or not it is necessary to procure waivers or court orders. Reports new and amendatory legislation affecting stock transfers.

THE CORPORATION JOURNAL

Edited by John H. Sears of the New York Bar.

VOL. VI, No. 128

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INCREASING LEGISLATION AFFECTING CORPORATIONS

In spite of the many warnings in addresses to bar associations, magazine articles, and letters to newspapers during the last several years, there is no subsiding of the waves of legislation. New laws roll to us in overtoppling volume at the end of each legislature and threaten to swamp the profession. At the session in New York, which adjourned April 10, 1924, one thousand eight hundred and thirty-four bills were introduced in the House and one thousand six hundred and thirty-three in the Senate. Of those passed the Governor on April 25 had signed five hundred and one measures and there are many more at the date of this writing awaiting his signature. Eighteen of the new laws, thus far enacted, directly affect stock corporations, domestic and foreign.

Former Governor Harding of Iowa estimated that forty-three states in 1923 enacted 15,000 new laws. During the same period, Congress enacted 300 new laws and towns, cities and counties added 200,000 laws and ordinances to the total. The interpretation of these

laws by Federal and State Supreme Courts, in a single year required 650 volumes of law reports, to say nothing of the printed reports of tribunals of more general jurisdiction. (See *Journal of the American Bar Association* for September 1923, page 119.)

Imagine the work involved in gathering from this mass the important material on any given point. Think of the care necessary to follow the wide range of subjects involved in the organization, maintenance and qualification of domestic and foreign corporations. Think also of the extreme importance to counsel for corporations that they bring many of these new laws to the attention of their clients without delay. Reflection along these lines helps to emphasize the value of the service rendered by The Corporation Trust Company in the organization and statutory maintenance of domestic and foreign corporations. In no other way than by using this service may attorneys be sure of giving their clients up-to-date and accurate information.

Domestic Corporations

Illinois

Blue Sky Law. An agent engaged in the selling of stock for the American Engineering and Development Company, sold ten shares of the capital stock to one already a stockholder of the corporation. The stock of the corporation came within the class known as "D," that is, securities based on prospective income; and the statute provides that no securities of this class shall be sold or offered for sale until certain documents and statements have been filed with the Secretary of State. These documents and statements have not been filed. However, it was contended that the sale was exempt as another section of the statute exempts "capital stock of a corporation when sold or distributed by it among its stockholders, without the payment of any commission or expenses to agents, solicitors or brokers and without incurring any liability for expenses whatever in connection with the distribution thereof." The Supreme Court of Illinois held that the sale was not a distribution to a stockholder as contemplated by the exemption. The agent was engaged in the sale of the stock, had been compensated for his services and had made sales to others than stockholders of the corporation. *People v. Love et al.*, 310 Ill. 558. Harry B. North, Early & Early, William D. Knight and B. J. Knight, all of Rockford, for plaintiffs in error. Edward J. Brundage, Attorney-General, William Johnson, State's Attorney, of Rockford, and Edward C. Fitch, Asst. Atty. Gen., (A. B. Louison, of Rockford, of counsel), for the people.

Kansas

Receiver Appointed Where Corporate Affairs Are Grossly Mismanaged. Where the affairs of a corporation are grossly mismanaged by its officers and it appears that the corporation is insolvent or in danger of insolvency and that the directors and managing officers are practically deadlocked as to its policy, equity warrants the appointment of a receiver at the instance of the stockholders. In the instant case it appeared that the managing officers of the corporation had surrendered its office and were fraudulently converting the assets of the corporation to their own use. The directors and officers were unable to agree and it further appeared that the corporate fees had not been paid and that the charter was subject to forfeiture by the state. In view of the above facts the Supreme Court of Kansas said that the appointment of a receiver to take charge of the corporate affairs and to preserve the assets from dissipation was not void, even though no final order had been made for the winding up of the corporation. *Nelson et al. v. United Elevators Co.*, 223 Pac. 814. Eugene S. Quinton, of Topeka, for appellant. T. M. Lillard, Bruce Hurd, and O. B. Eidson, all of Topeka, for appellees.

Maine

Holder of Single Share Cannot Inspect Corporate Books Merely to Secure List of Stockholders. Chas. A. Day and Co., brought actions against the clerks of three corporations to secure inspection of the corporate books. The facts of the case show that Day and Co., were dealers in securities and that it had been its custom to purchase single shares of stock in different corporations for the sole purpose of inspecting the corporate books and securing a list of the stockholders to be used in the sale of its securities. After the stock had served its purpose, that is, after Day and Co., had secured the stock list, the stock held in that particular corporation was disposed of. The Supreme Judicial Court of Maine upheld the lower court denying the right of Day and Co., to inspect the books of the corporations. The decision was based on the fact that the statute provides that the corporate books shall be open to the inspection of "all persons interested," and from the facts of the case Day and Co., could not be considered "persons interested," so as to be brought within the statute and allowed to inspect the books. Chas. A. Day & Co., Inc. v. Booth. Same v. Drummond. Same v. Farnham. 123 Atl. 557. Ralph W. Crockett, of Lewiston, for petitioner. Verrill, Hale, Booth & Ives, of Portland, for respondents Booth and Farnham. Drummond & Drummond, of Portland, for respondent Drummond.

Missouri.

Partnership Contracts Recognized after Incorporation are Binding on Corporation. When a partnership entered into a contract to employ a superintendent of construction for a period of two years, the contract was not extinguished by the subsequent incorporation of the partnership, where the contract still had a year to run and was recognized as binding by the parties for six months after the incorporation. Aubertine v. Finberg et al., 258 S. W. 46. Geo. F. Osiek, of St. Louis, for appellants. C. J. Anderson, of St. Louis, for respondent.

New York

Dissolution and Forfeiture of Charter for Failure to File Report of Existence. New York corporations organized prior to January 1, 1898, were required by Chapter 353 of the Laws of 1922 to file with the Secretary of State on or before December 31, 1923, a report of existence. The Secretary of State was required to compile a list of corporations failing to file this report, and the act provided that this list should be published. The Secretary of State in the first two weeks of April of this year completed publication of this list. Any corporation on the list which desires to continue its corporate existence has three months in which to file the necessary certificate with the Secretary of State. The act provides that upon publication of the list the corporate existence immediately ceases and the corporation is deemed to be dissolved.

Pennsylvania

Director Cannot Purchase Property to Sell to Corporation at an Advanced Price. Samuel Dempster was a director and treasurer of the Gilmore Drug Company and either owned or controlled a majority of its capital stock. It was shown that he completely dominated the board of directors and determined and controlled the business and operations of the company. In 1917, Dempster borrowed \$200,000 from the company by virtue of a resolution of the executive committee, which was used by him to purchase certain property on his own account. To secure the loan Dempster executed a mortgage on this property to the corporation. No interest whatever was paid on the debt and in 1921, the directors, acting on a resolution adopted by the majority stockholders, authorized the purchase of the property from Dempster, the value to be determined by a board of appraisers, one member to be appointed by Dempster, one by the directors and the two to choose a third. The board of appraisers fixed the value of the property at over \$400,000. This action was commenced by the minority stockholders for relief, with the request that a receiver be appointed. The Supreme Court of Pennsylvania denied the appointment of the receiver, but as to the property said, that the purchase of the property by Dempster, with the company's money, was for its account and it should be adjudged that he holds the property, not in his own right, but as trustee for the corporation; and further directed the lower court to enter a decree ordering and commanding Dempster to convey the property to the drug company by deed of special warranty, free of liens and incumbrances, upon payment to him of the net amount, expended by him, while title to the property was in his name. *Gilmore et al. v. W. J. Gilmore Drug Co. et al.*, 123 Atl. 730. John G. Frazer, Charles G. McIlvain (of McIlvain, Murphy & Mohn), and Edwin W. Smith (of Reed, Smith, Shaw & McClay), all of Pittsburgh, for appellants. Ernest C. Irwin and Watson & Freeman, all of Pittsburgh, for appellees.

Rhode Island

Production of Corporate Records under Discovery Statute. The Supreme Court of Rhode Island recently handed down a decision construing the discovery statute as applied to corporate records. It was claimed in this case that the corporation had in its possession certain records and documents which were material to the preparation of a case against it. No specific books or records were set out or asked for. The court said that while under the discovery statute the corporation may be compelled to produce a particular book or document, material to the preparation of the case, the request must be specific and set out the particular book or document desired. In other words the court will not allow a "fishing excursion" through all of the corporate records upon a mere suspicion that something of advantage might be found. *Broadway Furniture Co. v. Superior Court*, 123 Atl. 566. Benjamin Cianciarulo and Uldrich Pettine, both of Providence, for petitioner. Ernest P. B. Atwood, of Providence, for respondent.

Tennessee

Powers of President in Disposing of Bond Issue. The Lonsdale Manufacturing Company was indebted to the City National Bank of Knoxville in the sum of approximately \$24,000, this indebtedness being evidenced by promissory notes indorsed by the president of the manufacturing company, personally. Before these notes became due the manufacturing company decided to mortgage its property for the purpose of securing \$75,000 worth of bonds, which it proposed to issue. The president of the company conferred with the bank and proposed that if the bank would agree to the placing of the deed of trust on the corporate property he would deposit with the bank bonds sufficient to secure the indebtedness. This the bank agreed to and accordingly upon the issue of the bonds an amount sufficient to cover the notes was turned over to the bank, with instructions from the president of the company to dispose of them as it could, at par, and apply the proceeds to the company's notes. The question now arises, upon the insolvency of the company, as to the bank's right to realize on these bonds and whether or not the president of the company was authorized to dispose of them in this manner. The Supreme Court of Tennessee said that while it was true that the president had no power by virtue of his office to control the company's property or management, still he could be vested with such power by the stockholders and directors. The court found that the president had been authorized to dispose of the bonds, at not less than par, upon such terms as he deemed advisable for the best interests of the company; the proceeds of the bonds to be used for corporate purposes only. That the pledging of the bonds to secure a debt owing by the company was a lawful corporate purpose and inasmuch as the president had instructed the bank not to dispose of them at less than par, he had not exceeded his authority and the bank could realize on the bonds. *Nickey Bros. v. Lonsdale Mfg. Co.*, 258 S.W. 776. Green, Webb & Cowan and Fowler & Fowler, all of Knoxville, for City National Bank. Mitchell Long, of Knoxville, for receiver.

Foreign Corporations

Illinois.

Owning Property and Maintaining Agent Renders Foreign Corporation Liable to Suit by Service on Agent. The Southern Ry. Co., a Virginia corporation, maintained an office in Chicago for the purpose of soliciting business. The office was in charge of one, Morris, and a force of stenographers, clerks and soliciting agents were employed under him. The name "Southern Railway System" appeared on the door and it was further shown that the rent of the offices and all salaries were paid by the company. Morris made no contracts, issued no bills of lading, sold no tickets and collected no money for the company. His duties were merely to solicit freight shipments to be transported over the company's lines. It was shown that the company operated 140 miles of railroad in Illinois, no part of which, however, touched Chicago. In an action against the company for loss and damage to a shipment, service was made on Morris, and the company contended that Morris, having no power to exercise any of the corporate powers,

Precedents for Government Regulation of Business in the Making

Many corporations engaged in interstate commerce or in business involving, or affected by, interstate commerce, are not, it seems to us, watching closely enough the development of the Federal Trade Commission's power and influence.

This is equally true whether the Commission's powers are thought to be too great or not great enough. For its complaints against business practices, and their final determination—whether resulting in dismissal or in orders to cease and desist, whether reversed by the courts or confirmed—are tending gradually to build up A SET OF PRECEDENTS that may have a controlling influence in the regulation of private business by the government for years to come.

Can any company afford to let this important development proceed without being familiar with its trend or having opportunity to analyze its consequences BEFORE it has become as established fact?

What The Corporation Trust Company's Federal Trade Commission Service does is to keep you systematically and PROMPTLY informed. It furnishes you, in the loose-leaf Service compilation, a background of all business practices the Commission has proceeded against from the day of its creation, with a summarized history of what has happened to each complaint to date. Then on this background the continuing service paints in, as it were, from day to day, all the NEW proceedings of the Commission relating to business practices, and court decisions on them. So business firms and their counsel can study the trends and tendencies of governmental regulation of business WHILE IN THE MAKING, instead of as established precedents—in time to intervene if the Commission's complaint seems improper, before a decision has been made, or in time to correct a business practice, if the complaint against it seems justified, before undergoing the unwelcome publicity of being made a respondent by the Commission.

We do not recommend or advise a subscription to the Federal Trade Commission Service if your business is not one involving or affected by interstate commerce, but if it is we believe that at least an approval subscription to the Service should be tried—and without postponement.

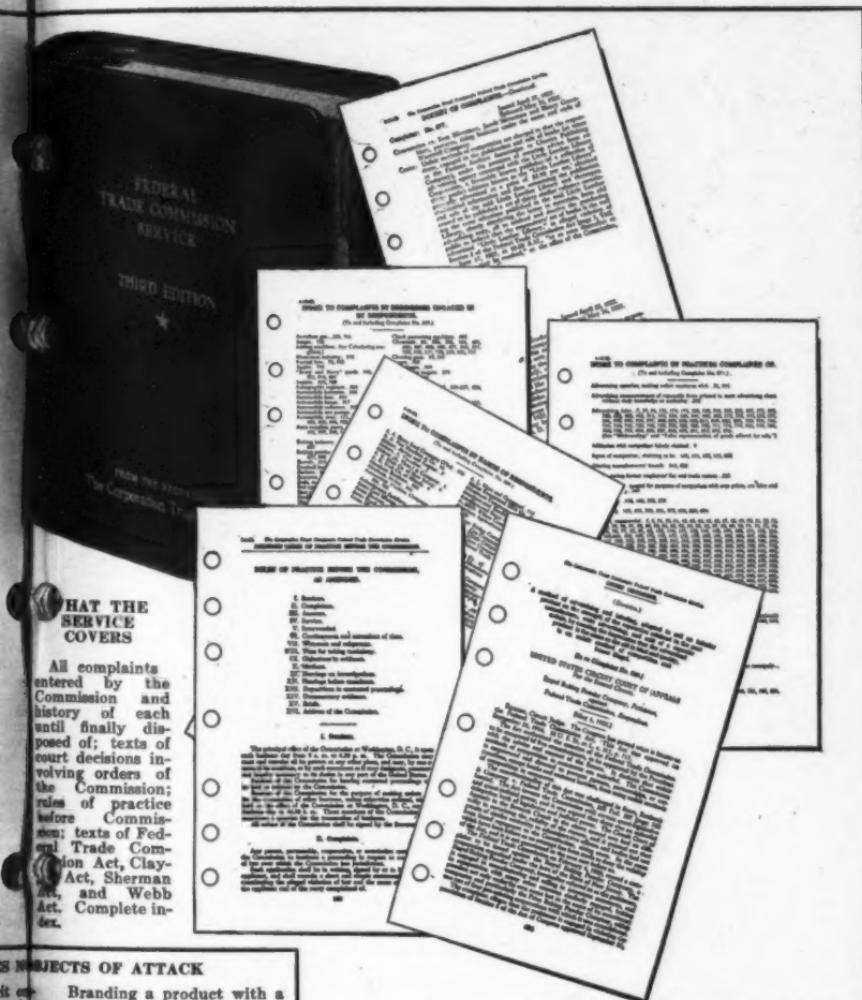
SOME OF THE BUSINESS PRACTICES

Using a corporate name which deceives the public—such as "Blank Knitting Mills," when the company owns no mills, or "Blank Mfg. Co.," when the company does no manufacturing.

Changing in a material way the formula or nature or ingredients of a product after its reputation has been established by wide advertising of the original formula or nature of ingredients.

Claiming a merit or prior virtue for a product because of certain statements when in fact those statements contribute no visible product.

Attempting to control sale prices by agreement between a manufacturer and his distributors, jobbers and dealers to prevent them from re-selling at a profit.



HAT THE SERVICE COVERS

All complaints entered by the Commission and history of each until finally disposed of; texts of court decisions involving orders of the Commission; rules of practice before Commission; texts of Federal Trade Commission Act, Clayton Act, Sherman Act, and Webb Act. Complete index.

TOP SUBJECTS OF ATTACK

Branding a product with a name which misleads the public as to its real nature.

Attempts on the part of trade associations or groups to prevent, by coercion or boycott, a manufacturer from selling his goods to competing houses.

Claiming to sell "direct from factory to consumer," when in fact the seller merely buys the merchandise from the producers.

APPROVAL COUPON

The Corporation Trust Company,
37 Wall Street, New York, N. Y.

Send me, on approval, the Federal Trade Commission Service complete to date. I will either return in ten days or you may then enter my subscription from May 1, 1924 to May 1, 1925, and send bill for \$15.

NAME.....

ADDRESS.....

CITY & STATE.....

was not an agent within the meaning of the statute, but was a mere employee to solicit business. The Supreme Court of Illinois in holding the service good, said that the whole question is whether or not the corporation had so extended its business into the state as to be constructively present and that since the company operated 140 miles of railroad in the state, it was doing business and was subject to service in the same manner as an Illinois corporation. *American Hide & Leather Co. v. Southern Ry. Co.*, 142 N. E. 200. Edward C. Kramer, Rudolph J. Kramer, and Bruce A. Campbell, all of East St. Louis, and Edward D. Pomeroy and Henry T. Martin, both of Chicago (Edward P. Humphrey, of Louisville, Ky., of counsel), for plaintiff in error. Winston, Strawn & Shaw of Chicago (Walter H. Jacobs and Silas H. Strawn, both of Chicago, of counsel), for defendant in error.

Iowa

Liability of Director on Corporate Note when Indorsed by Him as Director. The Iowa Oil and Gas Company, a Delaware corporation, executed a note in the sum of \$7,500. On the back of the note were found the indorsements of the directors of the corporation, guaranteeing payment of the note. All of the directors indorsed the note as individuals, except one, Murray, the defendant in this action, whose signature was followed by the words "Director, Iowa Oil and Gas Company." Upon maturity the note was not paid by the company and this action was brought against Murray alone, for payment. Murray contended that because of the manner in which he signed, he had no personal liability and asked that the rights of all the indorsers be determined. The Supreme Court of Iowa held that the directors who indorsed the note were jointly liable for its payment; and that the note was nothing more than a simple contract on which the indorsers had agreed to be personally liable in case of non-payment by the corporation. As to Murray, he had no power as a single director to contract for the corporation. Directors are without authority to act in a representative capacity except as a board of directors, so Murray by signing in his representative capacity added nothing whatever to his indorsement and could not escape his joint liability by so doing. The note was already that of the corporation and it was impossible for Murray to bind it in any other manner than it was already bound. *Kessel v. Murray et al.*, 196 N. W. 591. F. J. McGreevy, of Ackley, for appellants C. M. Haas, B. T. Oldham, and R. W. Haas, defendants to cross-petition of W. J. Murray. Lundy, Peisen & Soper, of Eldora, for appellee W. J. Murray. Aymer D. Davis, of Eldora, for appellee-plaintiff George Kessel.

(Coupon—See other side.)

Kentucky

Taking of Notes and Mortgage in State does not Constitute Doing Business. In an action brought by the Campbell Coal Company, a Georgia corporation, to recover on several notes taken by the corporation in settlement of an entirely foreign transaction and for the enforcement of a mortgage lien against certain real property situated in the state, to secure the amount of the notes, it was contended that the taking of the notes and the mortgage in the state constituted doing business, so as to prohibit maintenance of the suit. The Court of Appeals of Kentucky, however, declined to accept this view and held that the mere taking of notes in the state, in settlement of a wholly foreign transaction and the taking of a mortgage by the corporation on real property located in the state to secure its indebtedness, did not constitute doing business in the state so as to require compliance with the statute, and therefore the coal company could properly maintain the action. *Hughes et al. v. R. O. Campbell Coal Co. et al.*, 258 S. W. 671. Jas. H. Jeffries, of Pineville, for appellants. William Low and Low & Bryant, all of Pineville, for appellee R. O. Campbell Coal Co. Jas. M. Gilbert, of Pineville, for appellee Liberty Coal & Coke Co.

South Dakota

Foreign Corporation Obtaining Guaranty for Interstate Commerce Shipment not Doing Business. The Supreme Court of South Dakota has held that the mere securing of a guaranty in the state to pay for goods shipped entirely in interstate commerce does not constitute doing business so as to require compliance with the statute. In the instant case suit was brought against the guarantor and the court further said that even if the contract of indemnity had violated the foreign corporation law, nothing had been shown that would release the guarantor from his liability. *Western Electric Co. v. Dorman*, 197 N. W. 227. R. A. Dunham, of Clark, and J. M. Henderson, of Chicago, Ill., for appellant. Sterling, Clark & Grigsby, of Redfield, for respondent.

Texas

Unlicensed Foreign Corporation May Bring Suit in the Federal Courts. In an action arising out of the use of similar trade-names, the question of whether or not an unlicensed foreign corporation could maintain an action in the Federal courts was brought up. The state statute provides that no foreign corporation shall maintain a suit in any of the courts of the state, unless it has first filed its articles of incorporation in the office of the Secretary of State. The United States Circuit Court of Appeals in passing on this question was of the opinion that the legislature of Texas in enacting the statute was not attempting to interfere with the jurisdiction of a Federal court sitting in the state and therefore the action could properly be maintained. *Industrial Finance Corporation v. Community Finance Co. et al.*, 294 Fed. 870. George Thompson, Jr., of Fort Worth, Tex., and Ellis Douthit, of Sweetwater, Tex. (R. Randolph Hicks, and Satterlee, Canfield & Stone

all of New York City, and Thompson, Barwise, Wharton & Hiner, of Fort Worth, Tex., on the brief); for appellant. W. L. Coley, of Fort Worth, Tex., for appellees.

Taxation

Arkansas

Stockholder not Liable for Federal Income Tax after Sale of Stock. The Supreme Court of Arkansas has decided that a stockholder, who sells all of his stock in a corporation, cannot be held liable for Federal income taxes that have accrued prior to the sale. In reaching this conclusion the court says: "The Federal income tax on the income of the corporation was primarily the debt of the corporation, and there is no legal obligation upon the stockholders after they have sold their shares of stock in the corporation, to pay the income taxes that have accrued and had not been paid prior to the sale of such stock, and, in the absence of an express agreement on the part of the stockholder at the time of the sale of his stock to pay his proportionate share of such taxes, he would not be held liable to the purchaser of his stock for such taxes. The taxes are not laid upon the stock but on the corporate income." Culp Bros. Piano Co. v. Moore, 258 S. W. 326. Holland & Holland, of Ft. Smith, for appellant. A. M. Dobbs, of Ft. Smith, for appellee.

Illinois

Fixing Value of No Par Value Stock for Taxation, Unconstitutional. In the April Journal, page 134, the case of Roberts & Schaefer Co. v. Emmerson was reported, in which the Supreme Court of Illinois held the amendment to section 105 of the General Corporation Law, fixing the value of no par stock for purposes of taxation, to be unconstitutional. In regard to this decision a letter has just been received from the Secretary of State of Illinois, under date of April 12, 1924, in which it is said:

"There will be no change whatsoever in the manner of handling shares of no par value at the present time. Since the petition for rehearing has been granted we assume that there is nothing to do at the present time other than follow the statute in such cases made and provided."

"We would not wish, however, to accept and file papers for foreign corporations having shares of no par value where the fee is paid under protest, unless they really expect to take the matter immediately to the Supreme Court to get a ruling upon the question as to foreign corporations. We have hopes, however, that the Supreme Court will give us a definite ruling on this situation when it passes definitely upon the other matter before it, in order that it may save future litigation."

Mississippi

Income Tax Law Enacted. At the 1924 Session, the Mississippi Legislature passed an Income Tax Law. Heretofore there has been an income tax levied by the terms of the Act on "persons." The

Mississippi Courts, however, have construed the word "person" to include corporations. Under that Act, however, provision was made for the filing of a return upon demand of the local assessor. The new law makes it necessary for every corporation to file a return with the Chairman of the State Tax Commission. The return, in the case of domestic corporations, must be made on or before the 15th day of the third month following the close of the fiscal year, or, if the return is made on the basis of the calendar year, on or before March 15th. In the case of a foreign corporation the return is due within six months following the close of the fiscal year, and, if the return is made on a calendar year basis, on or before June 15th. The tax may be paid in four installments each consisting of one-fourth of the total amount, the first installment being due at the time of filing the return and the remaining installments at three month intervals on or before the 15th day of the month in each case.

The tax rates are as follows:

On the first	\$1,000 of taxable income.....	1%
On the second	1,000 of taxable income.....	1½%
On the next	3,000 of taxable income.....	2%
On the next	5,000 of taxable income.....	3%
On the next	15,000 of taxable income.....	4%
On all taxable income in excess of \$25,000...		5%

The tax is levied on the entire net income of domestic corporations in excess of certain credits provided by the Act. In the case of foreign corporations the tax is imposed on the net income from all property owned and business carried on in the state in excess of credits. A specific exemption of \$1,000 is allowed in the case of every corporation.

Some Important Matters for May and June

This calendar does not purport to cover general taxes or reports to other than state officials, nor those we have been officially advised are not required to be filed. *The State Report and Tax Service* maintained by *The Corporation Trust Company System* sends timely notice to attorneys for subscribing corporations of report and tax matters requiring attention from time to time, furnishing information regarding forms, practices and rulings.

ARIZONA—Report to Corporation Commission and Registration Fee due during June. Domestic and Foreign Corporations.

ARKANSAS—Annual return of withholding agents due between April 1 and June 1—Domestic and Foreign Corporations.

Franchise Tax Report due on or before June 1st—Domestic and Foreign Corporations.

CALIFORNIA—Corporation Franchise Tax due on first Monday in July—Domestic and Foreign Corporations.

DELAWARE—Annual Franchise Tax due between third Tuesday in March and July 1—Domestic Corporations.

DOMINION OF CANADA—Annual Summary due between April 1st and June 1st—Domestic companies having capital stock.

ILLINOIS—Annual License Fee or Franchise Tax due on or before July 1st but may be paid up to July 31st without penalty—Domestic and Foreign Corporations.

INDIANA—Corporation Report due between June 1st and July 31st—Domestic Corporations.

IOWA—Annual Report due between the first day of July and the first day August—Domestic and Foreign Corporations.

Additional statement due at the time of making the Annual Report in July—Foreign Corporations.

MAINE—Annual Tax Return due on or before June 1st—Domestic Corporations.

MONTANA—Annual Report due in April or May—Foreign Corporations.
Annual License Tax based on Net Income due between June 1st and June 15th—Domestic and Foreign Corporations.

NEBRASKA—Annual Report and Fee due on or before July 1st—Domestic Corporations.

NEVADA—Annual License Tax due on or before July 1st—Domestic and Foreign Corporations.

NEW JERSEY—Annual Tax Return due on or before first Tuesday of May—Domestic Corporations.

NEW YORK—Annual Return of Net Income on or before July 1st—Domestic and Foreign Business Corporations.

NORTH CAROLINA—Capital Stock Report to determine amount of franchise tax due during May—Domestic Corporations.

OHIO—Annual Report due during May—Domestic Corporations.

OREGON—Annual Statement due during June—Domestic and Foreign Corporations.

RHODE ISLAND—Corporate Excess Tax due on or before first day of July—Domestic and Foreign Corporations.

TENNESSEE—Annual Excise Tax Report due on or before July 1st—Domestic and Foreign Corporations.

Annual Report and Franchise Tax due on or before July 1st—Domestic and Foreign Corporations.

UNITED STATES—Annual Capital Stock Return due during July (tax payable within ten days after notice and demand)—Domestic and Foreign Corporations.

Second Installment Income Tax due June 15th—Domestic and Foreign Corporations (calendar year basis).

WASHINGTON—License Tax due on or before July 1st—Domestic and Foreign Corporations.

WEST VIRGINIA—Tax Statements due on or before July 1st—Domestic Corporations.

Annual License Tax due on or before July 1st—Domestic and Foreign Corporations.

Fee to State Auditor as Attorney in Fact due on or before June 30th—Foreign and Non-Resident Domestic Corporations.

WYOMING—Annual sworn statement and license tax due on or before July 1st—Domestic and Foreign Corporations.

New Income Tax Matters Between March 13 and April 13, 1924

- 1 Amendment to the Law passed by Congress
- 20 Treasury Decisions Reported
- 11 Court Decisions Reported
- 3 Opinions by Attorney General Reported
- 7 Articles of Regulations 62 (1921 Act) Amended
- 1 Article of Regulations 45 (1918 Act) Amended

Every change affects SOMEBODY'S tax, or alters the procedure to be followed in determining the tax on SOME business transaction. Many a business enterprise has resulted in more tax than expected, sometimes in more tax than was intended by the law (and many a business opportunity has been REJECTED because of a belief that it would result in too heavy a tax) when a knowledge of the LATEST regulations would have suggested a different course to pursue. Subscribers to The Corporation Trust Company's Federal Income Tax Service are kept CONSTANTLY informed, and are able to act on every business or investment matter in accordance with the latest rulings and interpretations.

THE CORPORATION TRUST COMPANY

An Especially Valuable Aid For Counsel In Qualification

Counsel for corporations doing business in states other than that of incorporation, and interested in the question of qualification in any of those states, find of inestimable value the information which The Corporation Trust Company is able to furnish. Having our own offices and representatives in every state and territory of the United States and every province of Canada, and being constantly engaged in assisting attorneys in incorporating or qualifying corporations in all, we have always available the latest information regarding not only the statutory requirements as to foreign corporations in any state, but the court decisions in each state interpreting or applying the statutes, and the accepted local practice under them.

If, for example, as actually has been the case, certain clauses in any state law relating to foreign corporations for one reason or another are not enforced, or have been held unconstitutional, we are able so to inform counsel at once, where otherwise he would naturally follow the statute as he found it. Our service in this respect enabled one attorney to save his client \$8,000 in qualifying in one state alone.

The benefits of all this information and experience are put at counsel's service to aid him in determining whether or not qualification is necessary for his own client, and if so what the cost and annual state taxes will be. No charge is made to the attorney (unless an unusual amount of work is involved) where it is understood that if qualification is found necessary The Corporation Trust Company is to be employed in the preparation or filing of papers or in furnishing the statutory representation.

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